



P.O. BOX 98911
LINCOLN, NE 68509-8911

Questions:

Visit us at: **www.revenue.ne.gov**

or Call Taxpayer Assistance

1-800-742-7474 (toll free in Nebraska and Iowa)

or 1-402-471-5729

PRESRT STD
U.S. POSTAGE
PAID
NEBRASKA DEPARTMENT
OF REVENUE

2008 NEBRASKA INDIVIDUAL ESTIMATED INCOME TAX PAYMENT VOUCHERS Form 1040N-ES

The **2008 Nebraska Individual Estimated Income Tax** booklet, Form 1040N-ES, incorporates the tax cut changes made due to passage of **LB 367** by the 2007 Legislature. You should calculate your estimated tax for 2008 in light of these changes.

The Department continues to emphasize that taxpayers must ensure that adequate and timely estimated payments are made in order to avoid underpayment of estimated tax penalties.

Changes in LB 367 include some new **income tax brackets** for married-joint and head of household taxpayers, an increase in the Nebraska earned income credit, and an increase in the standard deduction for married and head of household taxpayers.

There is also a new Nebraska Financial Institution Tax credit for certain S corporation shareholders of financial institutions. **Note:** Any Financial Institution Tax credit claimed must be added back on Form 1040N as an adjustment increasing income.

FORWARDING SERVICE REQUESTED

MAIL TO:



TO OPEN—FOLD AND TEAR ALONG PERFORATION

8-014-2007

INSTRUCTIONS

WHO MUST MAKE ESTIMATED PAYMENTS. A Nebraska Individual Estimated Income Tax Payment Voucher, Form 1040N-ES, must be filed by every resident and nonresident of Nebraska if the individual's Nebraska income tax after allowance of personal exemption credits can reasonably be expected to exceed withholding and other credits by \$300 or more. **If you are an employee with amounts being withheld from your earnings, you may ask your employer to withhold an additional amount for state taxes rather than make these four estimated income tax payments.**

WHEN AND WHERE TO FILE. The first payment voucher must be filed on or before April 15, 2008, or such later date as set out below in the instruction labeled "Changes in Estimated Tax." Mail the payment voucher with remittance to the Nebraska Department of Revenue, P.O. Box 98911, Lincoln, Nebraska 68509-8911. Mailing labels are enclosed for your convenience.

PAYMENT OF ESTIMATED TAX. The estimated tax may be paid in full with the first payment voucher or in equal installments on or before April 15, 2008; June 16, 2008; September 15, 2008; and January 15, 2009. Make checks or money orders payable to the Nebraska Department of Revenue. Please type or print your social security number on your check or money order. Checks written to the Department of Revenue may be presented for payment electronically. Credit cards are also now a payment option. See more information on this option later in this booklet.

FARMERS AND RANCHERS. If at least two-thirds of your gross income for 2007 or 2008 is derived from farming, ranching, or fishing, you may pay all of your estimated tax on or before January 15, 2009. You must then pay the entire amount of the estimated tax. If you file your Nebraska Individual Income Tax Return, Form 1040N, on or before March 1, 2009, and pay the total tax due at that time, you do not need to file an estimated tax payment for 2008.

OVERPAYMENT CREDIT FROM 2007. If you had an overpayment on your 2007 Nebraska Individual Income Tax Return and elected to apply it to your 2008 estimated income tax, the amount of that overpayment may be applied in full or in part to any installment.

JOINT PAYMENTS. A husband and wife may file joint payments of estimated income tax for Nebraska tax purposes. Joint payments may not be filed if they are separated under a decree of either divorce or separate maintenance or if they have different taxable years. If joint payments are made but a joint return is not filed for the taxable year, the estimated tax for such year may be divided between husband and wife in such manner as they may agree. This agreement should be signed by both taxpayers and a copy attached to each return.

If estimated payments have been made under a spouse's social security number and this spouse dies during the year for which the estimated payments are being made, please indicate "deceased" and give the date of death next to the social security number. Verify that the surviving spouse's name and social security number are correct on Form 1040N-ES and indicate what social security number is to be used in filing a Form 1040N-ES for the next year.

CHANGES IN ESTIMATED TAX. Even though your situation on April 15 is such that you are not required to file payments of estimated tax, your income may change so that you will be required to file estimated tax payments at a later date. In that case, the time for filing is as follows: June 15, if the change occurs after March 31 and before June 1; September 15, if the change occurs after May 31 and before September 1; January 15, 2009, if the change occurs after August 31.

The remaining installments can be made as outlined in the line 19 instructions on the estimated income tax worksheet.

You may use the Amended Computation Schedule to calculate your amended estimated tax if you find that your estimated tax is substantially changed. Show the amended estimated tax on line 1 of the next payment voucher filed.

FISCAL YEAR TAXPAYERS. Fiscal year taxpayers must report by the 15th day of the fourth, sixth, and ninth months of the fiscal year and the first month of the following fiscal year.

PENALTY FOR NOT PAYING ENOUGH ESTIMATED INCOME TAX. A penalty at the statutory rate is imposed for underpayment of estimated tax installments. The penalty is not due if you qualify for any of the exceptions listed on the Individual Underpayment of Estimated Tax, Form 2210N.

Each individual with an underpayment of the estimated tax must file a Form 2210N with their Nebraska Individual Income Tax Return, Form 1040N. The estimated tax has been underpaid if the payments (including withholding) are not equal to at least: 1) 90 percent (66 2/3 percent for farmers, ranchers, and fishermen) of the tax liability for the year after reduction by the credits other than withholding or estimated payments; 2) 100 percent of the tax shown on a Nebraska return for the full 12-month preceding tax year if federal adjusted gross income was \$150,000 or less; or 3) 110% (the applicable federal percentage) of the preceding year's tax if 2007 adjusted gross income was above \$150,000. (Complete the Nebraska Individual Estimated Income Tax Worksheet). You may also owe a penalty if estimated payments are not timely filed.

Also, the penalty does not apply if you had no tax liability for the preceding tax year of 12 months, you were a U.S. citizen or resident during that year, and your Nebraska return for that year reported no tax liability.

HOW TO USE THE PAYMENT VOUCHERS:

NOTE: The prime social security number used when making estimated payments should also be used when filing Form 1040N.

1. Complete the estimated income tax worksheet to compute your 2008 estimated tax. If line 18 is less than \$300, estimated tax payments are not required, but may still be made. If 2008 federal adjusted gross income is expected to be more than \$159,950 (\$79,975 if married filing separate), then complete Worksheet A included in this booklet.
2. Enter the amount shown on line 18 of the estimated income tax worksheet on line 1 of the payment voucher.
3. Enter the amount shown on line 19 of the estimated income tax worksheet on line 2 of the payment voucher.
4. Enter on line 3 of the payment voucher the amount of overpayment from 2007 to be credited to the installment.
5. Enter on line 4 of the payment voucher the amount of payment (line 2 minus line 3). File the payment voucher only if you are making a payment of estimated tax.
6. Attach a check or money order to the payment voucher and mail it by the due date to the Nebraska Department of Revenue, P.O. Box 98911, Lincoln, Nebraska 68509-8911. Make appropriate entries in the Record of Estimated Tax Payments. **Be sure to enter your Social Security Number (and your spouse's number, if applicable) on the payment voucher(s) where indicated.**
7. For each later installment, complete lines 2, 3, and 4 of the payment voucher, attach remittance and mail. No installment is required when the amount of unused 2007 overpayment is equal to or greater than the amount of installment due.

Nebraska Individual Estimated Income Tax Worksheet

1 Estimated federal adjusted gross income		1
2 Estimated federal itemized deductions (line 29, Form 1040, Schedule A).....	2	
3 State and local income taxes (line 5, Schedule A).....	3	
4 Nebraska itemized deductions (line 2 minus line 3).....	4	
5 Standard deduction (enter Nebraska standard deduction amount: Single \$5,450, Married-Joint \$10,900, Head of Household \$8,000, Married-Separate \$5,450) (Elderly and/or blind, see reverse side).....	5	
6 Enter the greater of line 4 or line 5.....		6
7 Estimated Nebraska income before adjustments (line 1 minus line 6)		7
8 Estimated Nebraska adjustments increasing federal AGI (non-Nebraska state and municipal bond interest).....		8
9 Estimated Nebraska adjustments decreasing federal AGI (including federal bond interest)		9
10 Estimated Nebraska taxable income (line 7 plus line 8, minus line 9)		10
11 Estimated Nebraska income tax on line 10 amount (see 2008 Nebraska Estimated Tax Rate Schedule included in this booklet. If AGI is above \$159,950 (\$79,975 if married filing separate), enter amount from line 3 of Worksheet A).....		11
12 Estimated Nebraska minimum or other taxes (total of taxes from Federal Forms 6251, 4972, and 5329; multiplied by .296).....		12
13 Total estimated Nebraska tax (total of lines 11 and 12)		13
14 Estimated Nebraska credits including: personal exemption credit, tax paid to another state (residents only); credits for child and dependent care expenses, Nebraska Charitable Endowment Tax credit, refundable earned income credit, credit for the elderly or the disabled (residents and partial-year residents); and for all taxpayers— CDAA credit, Beginning Farmer credit, Form 3800N refundable and nonrefundable credits, and Financial Institution Tax credit		14
15 Nebraska 2008 estimated income tax (line 13 minus line 14). If zero or less, enter -0-.....		15
16 a Multiply line 15 by 90% (66 2/3% for farmers and fishermen)	16a	
b Enter the tax shown on your 2007 tax return (110% of that amount if you are not a farmer or fisherman and the adjusted gross income shown on that return is more than \$150,000 or, if married filing separately for 2008, more than \$75,000).....	16b	
c Required annual payment to avoid a penalty. Enter the smaller of line 16a or 16b..... Caution: Generally, if you do not prepay (through income tax withholding and estimated tax payments) at least the amount on line 16c, you may owe a penalty for not paying enough estimated tax. To avoid a penalty, make sure your estimate on line 15 is as accurate as possible. Even if you pay the required annual payment, you may still owe tax when you file your return. You must also make timely estimated payments to avoid underpayment penalties. If you prefer, you can pay the amount shown on line 15.		16c
17 Income tax withheld and estimated to be withheld during 2008 (including income tax withholding on pensions, annuities, certain deferred income, etc.)		17
18 Subtract line 17 from line 16c. (Note: If zero or less or line 15 minus line 17 is less than \$300, stop here. You are not required to make estimated tax payments)		18
19 COMPUTATION OF INSTALLMENTS: If the first payment you are required to make is due to be filed on: • April 15, 2008, enter 1/4 of line 18 here and on line 2 of Payment Vouchers 1, 2, 3, and 4. • June 16, 2008, enter 1/2 of line 18 here and on line 2 of Payment Voucher 2, and 1/4 of line 18 on line 2 of Payment Vouchers 3 and 4. • September 15, 2008, enter 3/4 of line 18 here and on line 2 of Payment Voucher 3, and 1/4 of line 18 on line 2 of Payment Voucher 4. • January 15, 2009, enter amount of line 18 here and on line 2 of Payment Voucher 4.		19

Additional standard deduction for elderly and/or blind. Your Nebraska standard deduction is increased by the following amount if, at the end of 2008, you are:

- An unmarried individual (single or head of household) and are:
 - 65 or older or blind..... \$1,350
 - 65 or older and blind 2,700
- A married individual (filing jointly or separately) or a qualifying widow(er) and are:
 - 65 or older or blind..... \$1,050
 - 65 or older and blind 2,100
 - Both spouses 65 or older..... 2,100
 - If one spouse also blind..... 3,150
 - Both spouses blind 2,100
 - If one spouse also 65 or older..... 3,150
 - Both spouses 65 or older and both blind..... 4,200

If married filing separately, these amounts apply only if you can claim an exemption for your spouse.

AMENDED COMPUTATION SCHEDULE

• Use if your estimated tax changes during the year

1 Amended estimated tax (enter here and on line 1 of the payment voucher).....	1	
2 Amount of 2007 overpayment elected for credit to 2008 estimated tax and applied to date.....	2	
3 Estimated tax payments made to date	3	
4 Line 2 plus line 3	4	
5 Unpaid balance (line 1 minus line 4)	5	
6 Amount to be paid (line 5 divided by number of remaining payments). Enter here and on line 2 of the payment voucher	6	

Record of Estimated Tax Payments

Payment Number	Installment Date	(A) Date Filed	(B) Amount Paid (Line 4 of Payment Voucher)	(C) 2007 Overpayment (Line 3 of Payment Voucher)	(D) Total Amount Paid and Credited (Col. B plus Col. C)
1	April				
2	June				
3	September				
4	January				
CLAIM THIS AMOUNT ON YOUR 2008 NEBRASKA INDIVIDUAL INCOME TAX RETURN, FORM 1040N. ►					TOTAL

NOTE: If you are not required to make an estimated tax payment on the first installment date, you may still have to make a payment at a later date. See instruction entitled, "Changes in Estimated Tax."

2008 Nebraska Estimated Tax Rate Schedule

USE ONLY FOR 2008 ESTIMATED TAX.

DO NOT USE THESE NEBRASKA ESTIMATED TAX RATE SCHEDULES TO COMPUTE ANY TAX RETURNS.

Subtract \$113 from the table calculation for each federal personal exemption allowed.

Single Taxpayer			Head of Household		
If line 10, 1040N-ES Worksheet is:		The Nebraska estimated tax is:	If line 10, 1040N-ES Worksheet is:		The Nebraska estimated tax is:
over —	but not over		over —	but not over	
\$ 0	\$ 2,400	2.56% of the income	\$ 0	\$ 4,500	2.56% of the income
\$ 2,400	17,500	\$ 61.44 + 3.57% of the excess over \$ 2,400	\$ 4,500	28,000	\$ 115.20 + 3.57% of the excess over \$ 4,500
\$ 17,500	27,000	\$ 600.51 + 5.12% of the excess over \$17,500	\$ 28,000	40,000	\$ 954.15 + 5.12% of the excess over \$28,000
\$ 27,000	—	\$ 1,086.91 + 6.84% of the excess over \$27,000	\$ 40,000	—	\$ 1,568.55 + 6.84% of the excess over \$40,000

Married Taxpayers Filing Joint Returns and Surviving Spouses			Married Individuals Filing Separate Returns		
If line 10, 1040N-ES Worksheet is:		The Nebraska estimated tax is:	If line 10, 1040N-ES Worksheet is:		The Nebraska estimated tax is:
over —	but not over		over —	but not over	
\$ 0	\$ 4,800	2.56% of the income	\$ 0	\$ 2,400	2.56% of the income
\$ 4,800	35,000	\$ 122.88 + 3.57% of the excess over \$ 4,800	\$ 2,400	17,500	\$ 61.44 + 3.57% of the excess over \$ 2,400
\$ 35,000	54,000	\$ 1,201.02 + 5.12% of the excess over \$35,000	\$ 17,500	27,000	\$ 600.51 + 5.12% of the excess over \$17,500
\$ 54,000	—	\$ 2,173.82 + 6.84% of the excess over \$54,000	\$ 27,000	—	\$ 1,086.91 + 6.84% of the excess over \$27,000

Worksheet A — Nebraska Estimated Tax

Use if your estimated 2008 federal adjusted gross income is more than \$159,950; (\$79,975 if married filing separate)

1	Nebraska Tax Table tax on line 10 estimated taxable income – Form 1040N-ES Worksheet.....	1	
2	Additional tax calculated from the Additional Tax Rate Schedule on next page (if adjusted gross income is greater than \$159,950; \$79,975 if married filing separate)	2	
3	Total tax (line 1 plus line 2). Enter on line 11, Form 1040N-ES Worksheet	3	

2008 Nebraska Additional Tax Rate Schedule

SINGLE TAXPAYER

If adjusted gross income is:

over – but not over

\$ 159,950	\$ 183,950
\$ 183,950	334,950
\$ 334,950	429,950
\$ 429,950	—

The tax to add is:

	0.428%	(.00428)	of adjusted gross income above \$159,950
\$ 102.72 + 0.327% (.00327)			of the excess over \$183,950
\$ 596.49 + 0.172% (.00172)			of the excess over \$334,950
\$ 759.89			

MARRIED TAXPAYERS FILING JOINT RETURNS AND SURVIVING SPOUSES

If adjusted gross income is:

over – but not over

\$ 159,950	\$ 207,950
\$ 207,950	509,950
\$ 509,950	699,950
\$ 699,950	—

The tax to add is:

	0.428%	(.00428)	of adjusted gross income above \$159,950
\$ 205.44 + 0.327% (.00327)			of the excess over \$207,950
\$ 1,192.98 + 0.172% (.00172)			of the excess over \$509,950
\$ 1,519.78			

MARRIED INDIVIDUALS FILING SEPARATE RETURNS

If adjusted gross income is:

over – but not over

\$ 79,975	\$ 103,975
\$ 103,975	254,975
\$ 254,975	349,975
\$ 349,975	—

The tax to add is:

	0.428%	(.00428)	of adjusted gross income above \$79,975
\$ 102.72 + 0.327% (.00327)			of the excess over \$103,975
\$ 596.49 + 0.172% (.00172)			of the excess over \$254,975
\$ 759.89			

HEAD OF HOUSEHOLD

If adjusted gross income is:

over – but not over

\$ 159,950	\$ 204,950
\$ 204,950	439,950
\$ 439,950	559,950
\$ 559,950	—

The tax to add is:

	0.428%	(.00428)	of adjusted gross income above \$159,950
\$ 192.60 + 0.327% (.00327)			of the excess over \$204,950
\$ 961.05 + 0.172% (.00172)			of the excess over \$439,950
\$ 1,167.45			

Enter the additional tax calculated from the tax rate schedule above on Worksheet A, line 2, above.

SPECIAL INSTRUCTIONS

If your estimated Nebraska taxable income is less than \$54,000, perform the following calculation. Subtract \$159,950 (\$79,975 if married filing separate) from your Federal Adjusted Gross Income, and multiply this difference by 10% (.10). If your line 10 estimated taxable income is less than the 10% difference calculated, enter 6.84% of line 10 income on line 3, Nebraska Estimated Tax Worksheet above; otherwise, complete the additional tax calculation above.

CREDIT CARD is an option for paying your estimated tax. Payments are originated through Official Payments Corporation (OPC). **Eligible credit cards include VISA, MasterCard, Discover, and American Express. A convenience fee of 2.49% of the tax payment is charged to the card you use. This fee is paid to OPC and will appear on your credit card statement separately from the tax payment.** You will be told what the fee is during the transaction, and you have the option of cancelling the transaction. Secure credit card payments can be initiated over the Internet at **www.officialpayments.com** or via telephone at **1-800-2PAY-TAX**. If you initiate your credit card payment by telephone, you will need to provide the Nebraska Jurisdiction Code, which is **3700**. Follow instructions when asked to provide further information. At the completion of your transaction, you will be given a confirmation number for your records. Your transaction must be made on or before the due date to avoid penalty and interest. If paying by credit card, you do not need to mail in estimated income tax payment vouchers.



Nebraska Individual
Estimated Income Tax
Payment Voucher

FORM 1040N-ES
2008

1 Estimated tax (or amended estimated tax) for the year ending _____. Complete if an original or amended computation.....

1 \$

2 Amount of this installment (line 19 of estimated tax worksheet or line 6 of Amended Computation Schedule)

2

3 Amount of overpayment from last year applied to this installment (and not applied to previous installments)

3 \$

4 Amount of this payment (line 2 minus line 3). Enter here and in your Record of Estimated Tax Payments.....

4

2 THIS INSTALLMENT IS DUE ON
OR BEFORE **JUNE 16, 2008.**

Name(s)

IMPORTANT: SSN(S) MUST BE ENTERED BELOW.

Street or Other Mailing Address

Your Social Security Number

Spouse's Social Security No.

City

State

Zip Code

- File only if you are making a payment of estimated tax.
- Fiscal year taxpayers — see instructions.
- If your estimated tax needs to be amended, use the Amended Computation Schedule.

Use enclosed labels to mail this voucher and payment to:

NEBRASKA DEPARTMENT OF REVENUE, P.O. BOX 98911, LINCOLN, NE 68509-8911

8-014-2007



Nebraska Individual
Estimated Income Tax
Payment Voucher

FORM 1040N-ES
2008

1 Estimated tax for the year ending _____.
(line 18 of estimated tax worksheet)

1 \$

2 Amount of this installment (line 19 of estimated tax worksheet) ...

2

3 Amount of overpayment from last year (all or part) applied to this installment.....

3 \$

4 Amount of this payment (line 2 minus line 3). Enter here and in your Record of Estimated Tax Payments.....

4

1 THIS INSTALLMENT IS DUE ON
OR BEFORE **APRIL 15, 2008.**

Name(s)

IMPORTANT: SSN(S) MUST BE ENTERED BELOW.

Street or Other Mailing Address

Your Social Security Number

Spouse's Social Security No.

City

State

Zip Code

- File only if you are making a payment of estimated tax.
- Fiscal year taxpayers — see instructions.

Use enclosed labels to mail this voucher and payment to:

NEBRASKA DEPARTMENT OF REVENUE, P.O. BOX 98911, LINCOLN, NE 68509-8911

8-014-2007



Nebraska Individual
Estimated Income Tax
Payment Voucher

FORM 1040N-ES
2008

1 Estimated tax (or amended estimated tax) for the year ending _____. Complete if an original or amended computation.....

1	\$	
---	----	--

2 Amount of this installment (line 19 of estimated tax worksheet or line 6 of Amended Computation Schedule)

2		
---	--	--

3 Amount of overpayment from last year applied to this installment (and not applied to previous installments)

3		
---	--	--

4 Amount of this payment (line 2 minus line 3). Enter here and in your Record of Estimated Tax Payments.....

4	\$	
---	----	--

4 THIS INSTALLMENT IS DUE ON
OR BEFORE **JANUARY 15, 2009.**

Name(s)			IMPORTANT: SSN(S) MUST BE ENTERED BELOW.	
Street or Other Mailing Address			Your Social Security Number	Spouse's Social Security No.
City	State	Zip Code	<ul style="list-style-type: none">• File only if you are making a payment of estimated tax.• Fiscal year taxpayers—see instructions.• If your estimated tax needs to be amended, use the Amended Computation Schedule.	

Use enclosed labels to mail this voucher and payment to:
NEBRASKA DEPARTMENT OF REVENUE, P.O. BOX 98911, LINCOLN, NE 68509-8911

8-014-2007



Nebraska Individual
Estimated Income Tax
Payment Voucher

FORM 1040N-ES
2008

1 Estimated tax (or amended estimated tax) for the year ending _____. Complete if an original or amended computation.....

1	\$	
---	----	--

2 Amount of this installment (line 19 of estimated tax worksheet or line 6 of Amended Computation Schedule)

2		
---	--	--

3 Amount of overpayment from last year applied to this installment (and not applied to previous installments)

3		
---	--	--

4 Amount of this payment (line 2 minus line 3). Enter here and in your Record of Estimated Tax Payments.....

4	\$	
---	----	--

3 THIS INSTALLMENT IS DUE ON
OR BEFORE **SEPTEMBER 15, 2008.**

Name(s)			IMPORTANT: SSN(S) MUST BE ENTERED BELOW.	
Street or Other Mailing Address			Your Social Security Number	Spouse's Social Security No.
City	State	Zip Code	<ul style="list-style-type: none">• File only if you are making a payment of estimated tax.• Fiscal year taxpayers—see instructions.• If your estimated tax needs to be amended, use the Amended Computation Schedule.	

Use enclosed labels to mail this voucher and payment to:
NEBRASKA DEPARTMENT OF REVENUE, P.O. BOX 98911, LINCOLN, NE 68509-8911

8-014-2007